

## Message Text

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45

ACTION NEA-12

INFO OCT-01 AF-10 EUR-25 ISO-00 SCEM-02 INT-08 EB-11

COME-00 TRSE-00 OMB-01 AEC-11 FPC-01 ACDA-19 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03

RSC-01 PRS-01 SS-15 USIA-15 SCI-06 OPIC-12 CIEP-02

XMB-07 DRC-01 /197 W

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R 101101Z SEP 73

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 7621

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY BEIRUT

AMCONSUL DHAHRAN

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

C O N F I D E N T I A L KUWAIT 3271

BEIRUT PASS USINT BAGHDAD

E.O. 11652: GDS

TAGS: ENRG MASS KU

SUBJECT: VIEWS OF KUWAITI MINISTER OF FINANCE AND OIL ON ENERGY  
MATTERS, OAPEC MEETING AND ARMS

SUMMARY: KUWAITI MINFINANCE AND OIL ATEEQI SAID SEPT 4 OAPEC MEET-  
ING WAS CONFINED TO SUBJECT OF DRY DOCK ON BAHRAIN AND ELECTION  
OF NEW SEC GEN. HE WELCOMED INTEREST IN DEVELOPING NEW FIELDS IN  
KUWAIT AS WELL AS US SEARCH FOR ALTERNATIVE ENERGY SOURCES. HE SAID  
HE PERSONALLY BELIEVED KUWAIT SHOULD CUT IN HALF AMOUNT OF ARMS  
IT WAS CURRENTLY SEEKING AND MADE PLEAS FOR USG TO HELP ARAB  
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STATES WITH INDUSTRIALIZATION AND OTHER ECONOMIC DEVELOPMENT AND

AVOID EMPHASIS ON ARMS. END SUMMARY.

1. DURING MY SEPT 8 TALK WITH HIM ON OIL MATTERS, KUWAITI MINFIN AND OIL ATEEQI SAID GOK WELCOMED OIL COMPANY INTEREST IN DEVELOPING NEW FIELDS IN KUWAIT. IF ADDITIONAL OIL DEPOSITS FOUND IN COMMERCIAL QUANTITIES, GOK WOULD REIMBURSE COMPANY FOR EXPENSES OF OPERATIONS AND SELL SOME OR ALL PRODUCTION TO COMPANY AT DISCOUNT. SUCH OIL, ATEEQI CONFIRMED, WOULD BE UNRELATED TO (I.E. OVER AND ABOVE) THREE MILLION BARREL PER DAY CEILING ON PRESENT PRODUCTION.

2. IN AREA OF GAS, ATEEQI SAID GOK PRIMARILY INTERESTED IN PRODUCTION OF BUTANE AND PROPANE AT PRESENT TIME.

3. NEW SOURCES OF ENERGY. ATEEQI SAID KUWAIT WELCOMED SEARCH FOR ALTERNATE SOURCES OF ENERGY AND WANTED TO PARTICIPATE IN RESEARCH TOWARD THAT END. KUWAIT ITSELF STOOD TO BENEFIT, PERHAPS IN FUTURE FROM SUCH FORMS AS SOLAR ENERGY. MOREOVER, ATEEQI THOUGHT THAT WORLD'S PRESENT EXCLUSIVE FOCUS ON OIL -- AND THEREFORE ON ARAB COUNTRIES FROM WHENCE MOST OF IT CAME AS WELL -- WAS AN UNHEALTHY THING.

4. OAPE. ATEEQI CONFIRMED THAT SEPT 4 OAPEC MEETING IN KUWAIT CONFINED TO CONCLUDING PRELIMINARY AGREEMENT FOR CONSTRUCTION OF DRY DOCK ON BAHRAIN AND ELECTION OF ALI AHMAD ATEEQA OF LIBYA AS NEW SEC GEN OF OAPEC. ALL REPORTS OF USE OF MEETING TO DISCUSS OIL AS WEAPON WERE RUBBISH. OAPEC STRICTLY TECHNICAL, NON-POLITICAL ORGANIZATION AND WOULD BE KEPT THAT WAY. STATEMENT ISSUED BY ORGANIZATION AFTER MEETING OF GENERAL SUPPORT FOR LIBYA IN ITS RECENT 51 PERCENT NATIONALIZATIONS WAS STRICTLY FOR PUBLIC CONSUMPTION, ATEEQI CLAIMED. ELECTION OF LIBYAN ATEEQA, HE ALSO MAINTAINED, HAD NO POLITICAL SIGNIFICANCE; NEW SEC GEN CHOSEN SOLELY FOR HIS TECHNICAL COMPETENCE.

5. ARMS. ATEEQI VOLUNTEERED HIS PERSONAL OPINION THAT KUWAIT NEEDED ONLY ABOUT ONE HALF AMOUNT OF MILITARY WEAPONS IT CURRENTLY SEEKING (GOK HAS BUDGETED ABOUT 1.4 BILLION DOLLARS FOR ARMS). KUWAIT, HE OPINED, SHOULD NOT EXAGGERATE ITS WEAPON NEEDS AS HAD IRAN AND SAUDI ARABIA. GULF SECURITY BASICALLY MATTER OF INTERNAL SECURITY, NOT DEFENSE AGAINST OUTSIDE. FOR INTERNAL SECURITY IT NOT NECESSARY "HAVE A LOT OF GLEAMING STEEL ON DISPLAY."  
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ATEEQI ENDED UP WITH USUAL CRITICISM OF US ARMS FOR ISRAEL. I REPLIED ATEEQI'S POINT ABOUT DANGER OF INTERNAL INSTABILITY IN GULF STATES, IN MY OPINION, WELL TAKEN. HOWEVER, ON GULF ARMS WE BELIEVED EVERY COUNTRY HAD RIGHT OF SELF DEFENSE AND, WHILE OF COURSE WE ALSO HAPPY WITH DOLLARS ARMS SALES BROUGHT, MORE IMPORTANT FACTORS WERE ADEQUATE US RESPONSE TO NEEDS AND DESIRES OF OUR FRIENDS IN AREA, AND SECURITY OF AREA SO ESSENTIAL TO FREE WORLD FOR ITS OIL. AS FAR

AS ARMS TO ISRAEL WERE CONCERNED, USG HAD TRIED FOR YEARS OBTAIN  
USSR'S COOPERATION TO LIMIT ARMS TO MIDEAST BUT WE HAD GOTTEN NO-  
WHERE SO FAR. ATEEQI DID NOT DISPUTE THESE POINTS BUT SAID HE WISHED  
MAKE SPECIAL PLEA TO US TO HELP KUWAIT AND OTHER ARAB STATES  
WITH INDUSTRIALIZATION, OTHER ECONOMIC DEVELOPMENT AND INVESTMENT,  
AND TO AVOID EMPHASIS ON ARMS WHICH, COMING INTO WRONG HANDS, WOULD  
CONSTITUTE MAJOR NEW DANGERS FOR STABILITY IN AREA. I SAID WE  
ALREADY MAKING GREAT EFFORT ON ECONOMIC, DEVELOPMENTAL AND COM-  
MERCIAL SIDE AND WE PREPARED DO MORE.  
STOLTZFUS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC DEVELOPMENT, PETROLEUM, POLICIES, ARMS, PORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973KUWAIT03271  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS STOLTZFUS  
**Errors:** N/A  
**Film Number:** n/a  
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**Legacy Key:** link1973/newtext/t19730946/aaaabhls.tel  
**Line Count:** 125  
**Locator:** TEXT ON-LINE  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 DEC 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26-Dec-2001 by martinml>; APPROVED <03-Jan-2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VIEWS OF KUWAITI MINISTER OF FINANCE AND OIL ON ENERGY MATTERS, OAPEC MEETING AND ARMS  
**TAGS:** ENRG, MASS, KU, (ATEEQI, ABD AL-RAHMAN SALIM)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005